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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

Office of Legislative Counsel

OLC 76-3666

15 DEC 1976

Honorable James T. Lynn, Director
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

There is enclosed for your consideration a proposed Executive Order "Conforming the Central Intelligence Agency and Civil Service Retirement and Disability Systems." The Order changes the CIA retirement system to conform to a recent change in the method of computing cost-of-living increases of annuities for Civil Service retirees.

The proposed Order is based on the conforming authority granted to the President in the newly enacted Section 292 in Public Law 94-522 which amended the Central Intelligence Agency Retirement Act, and on the authority in Section 801(c) of the Department of Defense Appropriation Authorization Act, 1977, Public Law 94-361, which directed the President to change the method of computing cost-of-living increases for retirement annuities under the CIA Retirement Act to conform with any changes made in the computation under the Civil Service Retirement System.

The changes set forth in the proposed Order were enacted for the Civil Service Retirement System under Section 1306 of the Legislative Branch Appropriation Act, 1977, Public Law 94-440 which was approved 1 October 1976.

Sincerely,

George L. Cary
Legislative Counsel

Enclosure

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EXECUTIVE ORDER

CONFORMING THE CENTRAL INTELLIGENCE AGENCY
AND CIVIL SERVICE RETIREMENT AND DISABILITY SYSTEMS

By virtue of the authority vested in me by Section 292 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended, 50 U.S.C. 403 note; by Section 801(c) of the Department of Defense Appropriation Authorization Act, of 1977, 10 U.S.C. 1401a note; and as President of the United States of America, in order to maintain existing conformity between the Central Intelligence Agency Retirement and Disability System and the Civil Service Retirement and Disability System, annuity payments from the Central Intelligence Agency Retirement and Disability Fund shall be made in accordance with applicable provisions of law as modified by this Order.

Section 1. The Director of Central Intelligence shall:

(A) on January 1 of each year, or within a reasonable time thereafter, determine the percent change in the price index published for December of the preceding year over the price index published for June of the preceding year, and

(B) on July 1 of each year, or within a reasonable time thereafter, determine the percent change in the price index published for June of such year over the price index published for December of the preceding year.

Section 2. If in any year the percent change determined under either paragraph (A) or (B) of Section 1 indicates a rise in the price index, then--

(A) effective March 1 of such year, in the case of an increase under paragraph (A) of Section 1, each annuity payable from the Fund having a commencing date not later than such March 1 shall be increased by the percent change computed under such paragraph, adjusted to the nearest 1/10 of 1 percent, or

(B) effective September 1 of such year, in the case of an increase under paragraph (B) of Section 1, each annuity payable from the Fund having a commencing date not later than such September 1 shall be increased by the percent change computed under such paragraph, adjusted to the nearest 1/10 of 1 percent.

to any increase in annuities after October 1, 1976, the date of enactment of Section 1306 of Public Law 94-440, Legislative Branch Appropriation Act, 1977, except that with respect to the first date after October 1, 1976 on which the Director is to determine a percent change, such percent change shall be determined by computing the change in the price index for the last month prior to October 1, 1976, for which the price index showed a percent rise forming the basis of a cost-of-living annuity increase under Section 291. (a) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended, 50 U.S.C. 403 note; as in effect immediately prior to October 1, 1976.

GERALD R. FORD